



United Nations
Framework Convention on
Climate Change



ADAPTATION FUND

**Operational Policies
and
Guidelines
of the Adaptation Fund**

April 23-25
Apia, Samoa



The Adaptation Fund

An innovative financial mechanism:

- 1. Governing body: equitable and balanced representation of Kyoto Protocol Parties**
- 2. New funding source: international levy**
- 3. Direct access to AF resources for eligible countries**



Resources

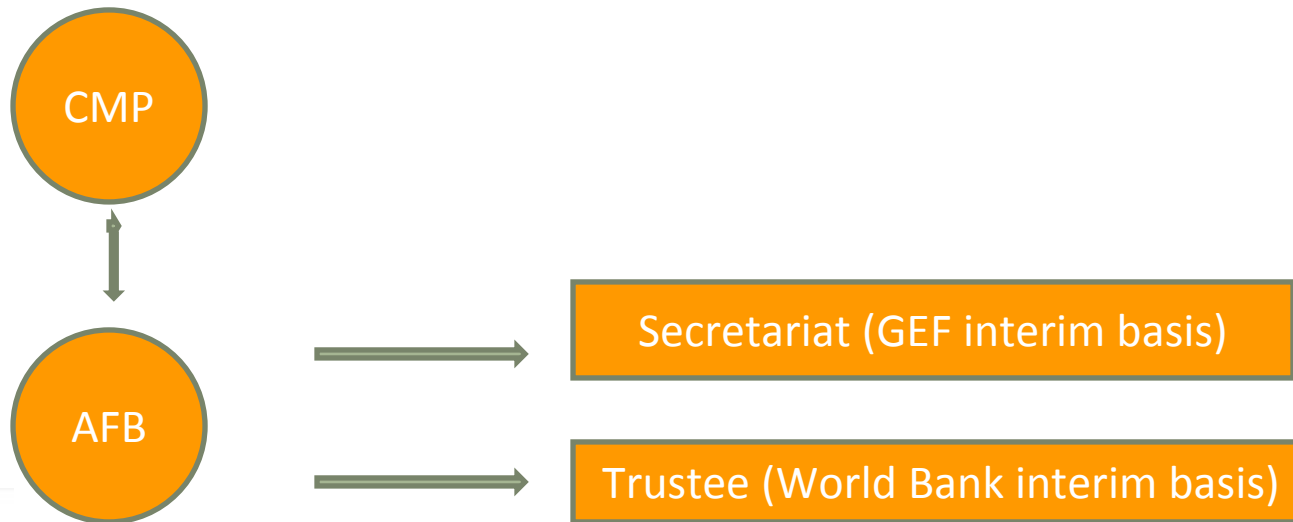
- Proceeds from monetized CERs: US\$168.3M
- Annex-I parties contributions:
 - Spain €45M, Monaco €10k, Germany €10M, Sweden SEK200M, Switzerland CHF 3M
 - Pledges: Australia AU\$ 15M, Brussels Capital Region €1M
- Funds allocated by March 16, 2012: US\$ 115.7M
- Current Funding Availability: US\$ 140
- Estimated funds available by end-2012:
 - Medium estimate US\$ 204M (low: 187M; high: 223M)



Institutional Arrangements

- Secretariat: GEF on an interim basis
- Trustee: World Bank on an interim basis

KP Parties discussed a review of the interim institutional arrangements in CMP7 (December 2011) and decided to complete the review in CMP8



Governing Body: the AF Board

- Composed of 16 members and alternate members representing:

- 5 UN regions
- LDCs
- SIDS
- Annex I Parties
- Non-Annex I Parties



- Equitable and balanced representation of Kyoto Protocol Parties
- Legal capacity: Germany 2011



Mandate

- **The Adaptation Fund:**
 - assist developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change in meeting the costs of adaptation
 - finance concrete adaptation projects and programmes that are country driven and are based on the needs, views and priorities of eligible Parties



Strategic Priorities

- To finance concrete adaptation projects and programmes that:
 - take place in developing country Parties that are Parties to the Kyoto Protocol (Decision 10/CP.7)
 - are country driven and are based on the needs, views and priorities of eligible Parties (1/CMP.3)
 - take into account, *inter alia*, national sustainable development strategies, poverty reduction strategies, NCs, NAPAs and other relevant instruments, where they exist (5/CMP.2)



Strategic Priorities

- **The Adaptation Fund:**
 - Should finance projects/programmes with particular emphasis on the most vulnerable communities;
 - In developing projects and programmes to be funded under the Adaptation Fund, eligible Parties should consider information included in reports from the IPCC and information generated under the Nairobi work programme on impacts, vulnerability and adaptation to climate change.



Key Decisions

Adoption of the following key strategic decisions:

- Prioritization of the direct access modality
- Cap on maximum level of funding for MIEs → 50% cumulative funding decisions
- Option of a project formulation grant for NIE proponents → \$30k



Access Modalities

The AF provides the following access modalities:

- **Direct access**
- **Multilateral access modality**
- **Regional access modality**

(to be elaborated further in Session 2)



Designated Authorities

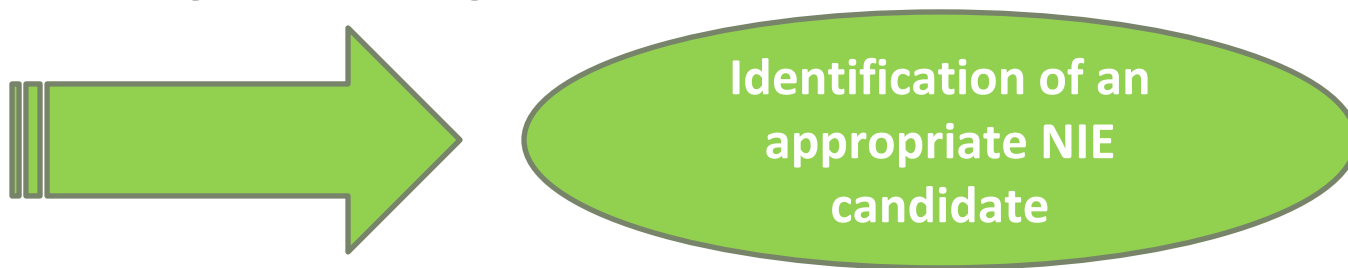
Institutional background:

- Each Party shall designate and communicate to the secretariat the authority that will represent the government of such Party in its relations with the Board and its secretariat.
- The Designated Authority shall be an officer within the Party's government administration.
- The communication to the secretariat shall be made in writing and signed by either a Minister, an authority at cabinet level, or the Ambassador of the Party.



Designated Authorities (cont.)

- The main responsibility of the Designated Authority is the endorsement on behalf of the national government of:
 - a) accreditation applications as National Implementing Entities submitted by national entities;
 - b) accreditation applications as Regional or Sub-regional Implementing Entities submitted by regional or sub-regional entities; and
 - c) projects and programmes proposed by the implementing entities, either national, regional, subregional, or multilateral.



Designated Authority (DA) is:

- The Government focal point towards the Adaptation Fund Board / AFB Secretariat
- Responsible for endorsing the use of selected implementation modality
 - NIE, MIE or RIE?
 - Which organization is the most suitable?
 - If NIE, which organization best meets criteria for applying accreditation?



Designated Authority (DA) is:

- Responsible for endorsing each project/ programme submitted for AF funding from the country
 - Understanding of the needs and priorities
 - Knowledge of adaptation-related and sector strategies and policies
 - Understanding of other adaptation activities taking place (avoidance of duplication)



Designated Authority (DA) is:

- Responsible for observing project/programme during implementation
 - Reviewing mid-term report
 - Ensuring that government continues to endorse
 - The Implementing Entity
 - The project or programme being implemented
- Eligible to call off project implementation if it ceases to endorse the IE or the project



Designated Authority (DA) is:

- A person, not an institution
 - Clarity on authority
- Specifically appointed to this task
 - Not automatically through other focal point roles, such as DNA, GEF Focal Point, etc.
- Has to bear sufficient authority at the government level to perform this function.



Appointment of DA

- The Adaptation Fund Board on April 8, 2010 sent out letters to all eligible countries requesting them to appoint DAs.
- The communication to the secretariat shall be made in writing and signed by either a Minister, an authority at cabinet level, or the Ambassador of the Party.

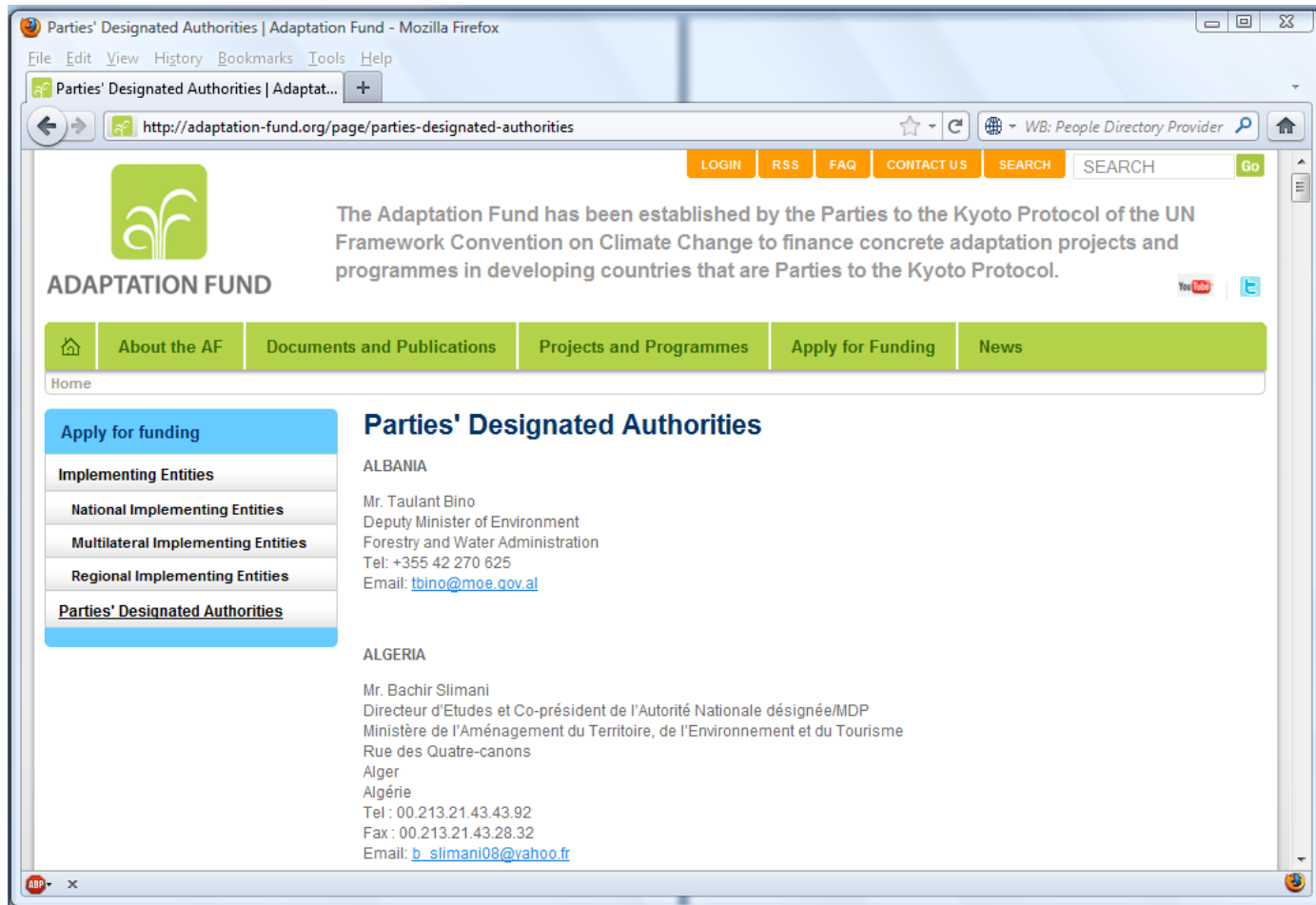


When to appoint a DA?

- Even if there is no active plan to have an AF project in the country, having a DA appointed ensures that the country can readily endorse national/regional implementing entities and project ideas
- Deciding on DA may take some time
- If no project / accreditation application, no additional burden to DA



DAs Listed on AF website



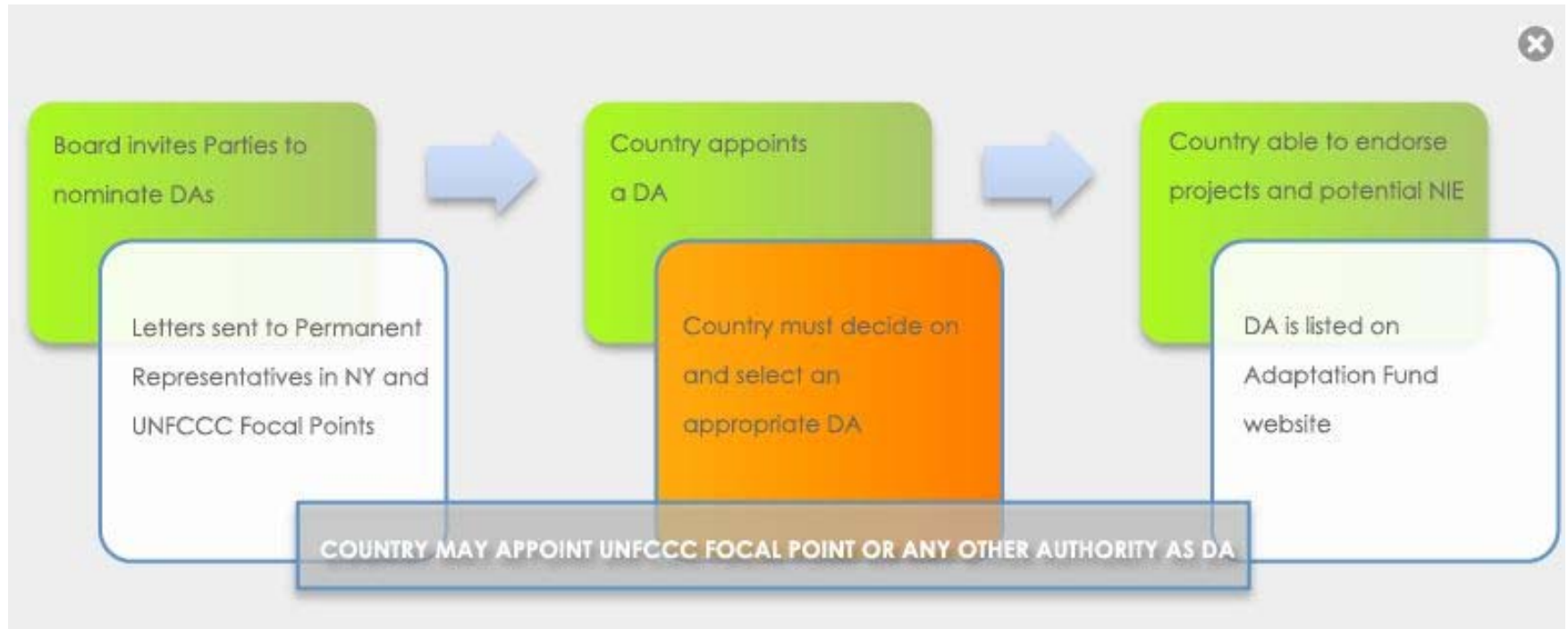
The screenshot shows a Mozilla Firefox browser window displaying the Adaptation Fund website. The page title is "Parties' Designated Authorities | Adaptation Fund". The browser's address bar shows the URL "http://adaptation-fund.org/page/parties-designated-authorities". The website header includes the Adaptation Fund logo, a navigation menu with links for LOGIN, RSS, FAQ, CONTACT US, and SEARCH, and a search bar. Below the header, a navigation bar contains links for Home, About the AF, Documents and Publications, Projects and Programmes, Apply for Funding, and News. The main content area is titled "Parties' Designated Authorities" and lists the following information:

ALBANIA
Mr. Taulant Bino
Deputy Minister of Environment
Forestry and Water Administration
Tel: +355 42 270 625
Email: tbino@mos.gov.al

ALGERIA
Mr. Bachir Slimani
Directeur d'Etudes et Co-président de l'Autorité Nationale désignée/MDP
Ministère de l'Aménagement du Territoire, de l'Environnement et du Tourisme
Rue des Quatre-canon
Alger
Algérie
Tel : 00.213.21.43.43.92
Fax : 00.213.21.43.28.32
Email: p_slimani08@yahoo.fr



DA appointment process



Note: More information in the NIE Accreditation Toolkit



Identification of NIEs: Observations

- **Some countries have reported difficulties in establishing a robust process for undertaking selection of appropriate NIEs**
- **In some other cases, the Fiduciary Standards were not given adequate consideration during the selection process**
- **Inadequate due diligence when reviewing existing institutional capacity of the potential NIEs.**
- **Focus some times is primarily on handling international donor/loan funds with low priority on project management capabilities.**



NIE Role

- **Para 27 of the Operational Policies and Guidelines for parties to access resources from the Adaption Fund clearly defines the role of NIEs as below:**
- **The NIEs will bear full responsibility for the overall management of the project and programmes**
- **The NIEs will bear all the financial, monitoring and reporting responsibilities**



Selecting a potential NIE

- **Selection should be through a defined process and not just a one off decision**
- **Designated Authority (DA) needs to play a key role throughout the process**



Suggested Process

- **DA to set up a Selection Committee (SC) (e.g. 2 or 3 persons)**
- **Based on the requirements of the Fiduciary Standard the SC should identify a few potential NIEs.**
- **Based on preliminary assessment develop a shortlist of 2 or 3 suitable entities**
- **Undertake due diligence of the shortlisted entities**
- **Identify gaps relating to the Fiduciary Standards for the selected entities**



Process contd

- **Examine potential of each entity to bridge the gaps**
- **Select most appropriate entity**
- **Work with entity to fulfill the gaps**
- **Work with entity to complete accreditation application and supporting documentation**
- **Verify final application before submission to the Adaptation Fund**



Thank you!

